

# House Study Bill 649 - Introduced

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE  
ON COMMERCE BILL BY  
CHAIRPERSON COWNIE)

## A BILL FOR

1 An Act relating to the classification of drainage or levee  
2 districts and library districts as municipalities for  
3 the purpose of joining a local government risk pool and  
4 including effective date provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 670.7, subsection 1, Code 2018, is  
2 amended to read as follows:

3 1. The governing body of a municipality may purchase a  
4 policy of liability insurance insuring against all or any part  
5 of liability which might be incurred by the municipality or  
6 its officers, employees, and agents under [section 670.2](#) and  
7 section 670.8 and may similarly purchase insurance covering  
8 torts specified in [section 670.4](#). The governing body of a  
9 municipality may adopt a self-insurance program, including  
10 but not limited to the investigation and defense of claims,  
11 the establishment of a reserve fund for claims, the payment  
12 of claims, and the administration and management of the  
13 self-insurance program, to cover all or any part of the  
14 liability. The governing body of a municipality may join  
15 and pay funds into a local government risk pool to protect  
16 itself the municipality against any or all liability, loss of  
17 property, or any other risk associated with the operation of  
18 the municipality. The governing body of a municipality may  
19 enter into insurance agreements obligating the municipality  
20 to make payments beyond its current budget year to provide or  
21 procure the policies of insurance, self-insurance program,  
22 or local government risk pool. The premium costs of the  
23 insurance, the costs of a self-insurance program, the costs of  
24 a local government risk pool, and the amounts payable under  
25 the insurance agreements may be paid out of the general fund  
26 or any available funds or may be levied in excess of any tax  
27 limitation imposed by statute. However, for school districts,  
28 the costs shall be included in the district management levy  
29 as provided in [section 296.7](#) if the district has certified a  
30 district management levy. If the district has not certified  
31 a district management levy, the cost shall be paid from  
32 the general fund. Any independent or autonomous board or  
33 commission in the municipality having authority to disburse  
34 funds for a particular municipal function without approval  
35 of the governing body may similarly enter into insurance

1 agreements, procure liability insurance, adopt a self-insurance  
2 program, or join a local government risk pool within the field  
3 of its operation.

4 Sec. 2. Section 670.7, subsection 4, Code 2018, is amended  
5 to read as follows:

6 4. The association of Iowa fairs or a fair as defined in  
7 section 174.1, and the governing body of a drainage or levee  
8 district as provided in chapter 468, including a board as  
9 defined in section 468.3, regardless of how the district has  
10 been established or is organized, shall each be deemed ~~to be~~ a  
11 municipality as defined in this chapter only for the purpose  
12 of joining a local government risk pool as provided in this  
13 section.

14 Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate  
15 importance, takes effect upon enactment.

16 EXPLANATION

17 The inclusion of this explanation does not constitute agreement with  
18 the explanation's substance by the members of the general assembly.

19 This bill relates to the classification of the governing  
20 body of a drainage or levee district, including a board,  
21 regardless of how the district has been established or  
22 organized as a municipality for the purpose of joining a local  
23 government risk pool.

24 The bill provides that a governing body of a municipality  
25 may join and pay funds into a local government risk pool  
26 to protect the municipality against all liability, loss of  
27 property, or any other risk associated with the operation of  
28 the municipality.

29 The bill takes effect upon enactment.